

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 COME-00 EB-08 LAB-04 SIL-01 MCT-01 ACDA-07
DHA-05 CU-04 /091 W
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P R 031645Z OCT 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 4084
INFO AMEMBASSY CARACAS
USSOUTHCOM
AMCONSUL CALI POUCH
AMCONSUL BARRANQUILLA POUCH
AMCONSUL MEDELLIN POUCH

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E.O. 11652: N/A
TAGS: PINT, ELAB, ECON, PINS, CO
SUBJ: THE WEEK IN COLOMBIA

1. SUMMARY. GOVERNMENT MINISTER PARDO RESIGNED AND OTHER CABINET CHANGES WERE RUMORED. GOVERNMENT, UNIONS AND MANAGEMENT CONTINUED NEGOTIATIONS OVER A MINIMUM WAGE INCREASE, ONE OF THE SEPTEMBER 14 GENERAL STRIKE ISSUES. THE GOC APPROVED AN INCREASE IN THE EXPORT SUBSIDY. A CONGRESSIONAL COMMITTEE CONTINUED ITS INVESTIGATION OF TREASON BY A FORMER PRESIDENT IN THE RELINQUISHING OF LOS MONJES ISLETS TO VENEZUELA. THE PRESIDENTIAL CAMPAIGN GAINED A TROTSKYITE CANDIDATE. KIDNAPPINGS, TERRORIST ACTIVITY, AND LABOR VIOLENCE CONTINUED. END SUMMARY.

2. LOPEZ RESHUFFLES CABINET. ACCORDING TO PRESS REPORTS PRESIDENT LOPEZ HAS REPLACED OR INTENDS TO REPLACE SEVERAL MEMBERS OF HIS CABINET, AMONG THEM THE MINISTERS OF GOVERNMENT, FINANCE AND DEVELOPMENT.
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GOVERNMENT MINISTER PARDO BUELVAS DID IN FACT RESIGN AS A RESULT OF CONTINUING HEAVY CRITICISM OF PARTO'S ACCUSATION THAT FORMER PRESIDENTS LLERAS AND PASTRANA HAD ABETTED THE SEPTEMBER 14 GENERAL STRIKE (BOGOTA 8941). PARTO'S CHARGE HAD PLACED HIM IN AN UNTENABLE POSITION TO CONTINUE AS GOVERNMENT MINISTER, WHO IS REQUIRED TO MAINTAIN AT LEAST THE APPEARANCE OF IMPARTIALITY TOWARD THE COMPETING POLITICAL GROUPS. LOPEZ HAS NAMED

CONSERVATIVE SENATOR ALFREDO ARAUJO GRAU TO REPLACE PARDO. IT SEEMED LIKELY THAT CONTROVERSIAL FINANCE MINISTER ABDON ESPINOSA WOULD ALSO DEPART. IN ADDITION TO CRITICISM OF HIS RIGID OPPOSITION TO LABOR UNION DEMANDS, A LIKELY CAUSE OF THE GENERAL STRIKE, ESPINOSA REPORTEDLY HAS CLASHED WITH OTHER MINISTERS, INCLUDING DEVELOPMENT MINISTER MORENO OVER THE ALLEGED ISSUANCE OF THE LATEST CAT DECREE (SEE BELOW) WITHOUT MORENO'S FINAL APPROVAL. ALVARO GOMEZ, MORENO'S FACTION CHIEF, ASKED LOPEZ FOR ESPINOSA'S HEAD, IN EXCHANGE FOR PARTO'S. OTHER CHANGES MAY BE FORTHCOMING. LOPEZ SEEMS TO BE EXPERIENCING DIFFICULTY IN FINDING CABINET REPLACEMENTS WITH POLITICAL WEIGHT TO SERVE DURING THE WANING MONTHS OF THIS ADMINISTRATION. SUCH CHANGES, AS WELL AS THE PRESENT UNCERTAINTY OVER THEM, ARE DISRUPTIVE TO GOVERNMENT BUSINESS AND PROJECT AN IMAGE OF EXECUTIVE WEAKNESS.

3. MINIMUM WAGE DEBATE. IN THE AFTERMATH OF THE SEPTEMBER 14 GENERAL STRIKE (SEE BOGOTA 8659 AND 8942), DISCUSSIONS CONTINUED IN THE NATIONAL SALARY COUNCIL WITH MANAGEMENT OFFERING A TWENTY PERCENT INCREASE AND LABOR REQUESTING A FIFTY PERCENT INCREASE IN THE MINIMUM WAGE. LEADERS OF THE TWO DEMOCRATIC UNIONS INDICATED TO EMBOFFS THAT THEY WOULD SETTLE FOR A THIRTY PERCENT INCREASE.

4. EXPORT SUBSIDY INCREASED. THE GOVERNMENT HAS DECREED AN INCREASE IN THE EXPORT SUBSIDY (CAT) TO BECOME EFFECTIVE IN LIMITED OFFICIAL USE

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JANUARY 1978. THE SUBSIDY IS NOW SET AT 12, 9, 5 AND .1 PERCENT, UP FROM 8, 4 AND .1 PERCENT. THE HIGHEST SUBSIDY IS ALMOST EXCLUSIVELY FOR MANUFACTURES, BUT THE OTHER SUBSIDY CATEGORIES CONTAIN A MIXTURE OF AGRICULTURAL PRODUCTS, MANUFACTURES AND SEMI-MANUFACTURES. THE GOVERNMENT PICKED THE CATEGORIES AFTER CAREFUL ANALYSIS OF EACH INDUSTRY'S ABILITY TO RESPOND TO THE INCENTIVE. THE INCREASE IN THE CAT IS TO COMPENSATE FOR THE LOSS OF COMPETITIVENESS OF COLOMBIAN EXPORTS BECAUSE OF THE HIGH INFLATION AND SLOW DEVALUATION. THE ACTION MAY PROVOKE COUNTER-VAILING DUTY MOVES IN EUROPE AND THE U.S.

5. COLOMBIAN CONGRESSMEN DEBATE CONFLICTING VENEZUELAN CLAIM. CONTRARY TO SOME MEDIA REPORTS, A COLOMBIAN CONGRESSIONAL COMMITTEE CONTINUES TO INVESTIGATE CHARGES OF TREASON AGAINST A FORMER PRESIDENT AND HIS FOREIGN MINISTER FOR AGREEING TO, BY A DIPLOMATIC NOTE IN 1952, VENEZUELAN CLAIMS OF SOVEREIGNTY OVER THE LOS MONJES ISLETS OFF THE COAST OF LA GUAJIRA. THE FOREIGN MINISTRY HAS SHOWN NO INTENTION OF RENEWING THE GOC CLAIM TO THE AREA. ACCORDING TO CERTAIN COMMITTEE MEMBERS, HOWEVER, COLOMBIA HAS NEVER LEGALLY RELINQUISHED ITS SOVEREIGNTY OVER THE ISLETS.

6. TROTSKYITE TO SEEK PRESIDENCY. SOCORRO RAMIREZ, A FOUNDER AND DIRECTOR OF THE NEW, (TROTSKYITE-ORIENTED) SOCIALIST WORKERS PARTY (PST), BECAME THE LATEST OF THREE FAR-LEFT PRESIDENTIAL CANDIDATES (SEE BOGOTA 7573) WHEN SHE OFFICIALLY ANNOUNCED HER INTENTIONS ON SEPTEMBER 23. RAMIREZ, THE SECOND FEMALE PRESIDENTIAL CANDIDATE IN COLOMBIAN HISTORY, HAS LITTLE CHANCE OF MAKING EVEN A RESPECTABLE SHOWING. ALSO, AT 26, SHE DOES NOT MEET THE MINIMUM AGE REQUIREMENT FOR THE OFFICE.

7. PUBLIC ORDER. THE 73 YEAR OLD MANAGER OF THE NATIONAL CHOCOLATE COMPANY WAS KIDNAPPED IN BROAD DAYLIGHT IN BOGOTA BY A GROUP OF ARMED MEN WHO HAVE DEMANDED A SIX HUNDRED THOUSAND DOLLAR RANSOM. IN MEDELLIN AN 18 YEAR OLD GIRL WAS KILLED ALONG WITH ONE OF HER KIDNAPPERS AS SECURITY FORCES ATTEMPTED TO RESCUE LIMITED OFFICIAL USE

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HER. THE POLICE BELIEVE THAT THESE TWO KIDNAPPINGS WERE THE WORK OF CRIMINALS RATHER THAN POLITICALLY MOTIVATED. THERE WERE VIOLENT STREET DEMONSTRATIONS IN MEDELLIN NEAR ANTIOQUIA UNIVERSITY AND IN THE TOWN OF BARRANCABARMEJA, WHICH HAS BEEN THE SCENE OF CONSIDERABLE LABOR STRIFE. IN THE LATTER INCIDENT, TEACHERS AND STUDENTS JOINED IN A DEMONSTRATION BY STRIKING OIL WORKERS. IN THE COUNTRYSIDE, F HBE GUERRILLAS CARRIED OUT WHAT

HAS BECOME ALMOST A ROUTINE-TYPE OF OPERATION IN THE CAQUETA REGION, THIS TIME KILLING A GOVERNMENT OFFICIAL AND WOUNDING A POLICEMAN IN AN ISOLATED TOWN, THEN SACKING CERTAIN BUSINESSES AND HARANGUING THE TOWNSPEOPLE BEFORE ESCAPING TO THE MOUNTAINS.

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Message Attributes

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Disposition Approved on Date:
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Disposition Date: 22 May 2009
Disposition Event:
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